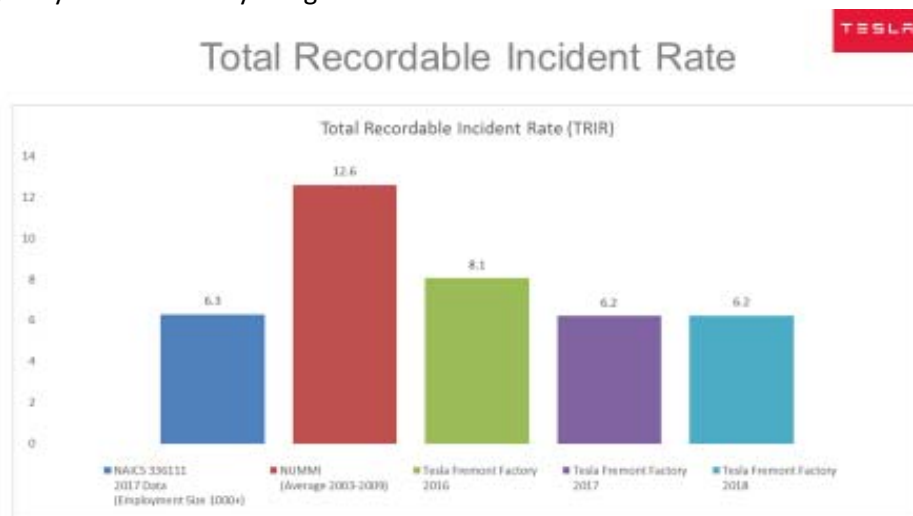


Tesla, Inc. Update on Environmental Health and Safety (“EHS”) for CAEATFA Executive Director

3/5/2019

Lagging performance injury data for total recordables (injuries resulting in medical treatment, lost work days, restricted or transfer days) is calculated by number of injuries * 200,000/(hrs. worked). At Tesla, we do not provide any incentive pay based on injury reductions. This practice leads to under reporting. Focusing only on lagging injury rates (Total Recordable, Days Away/Restricted Time “DART”, and Lost Work days) does not provide a true understanding of a company’s overall safety performance. Our previous testimony provided many leading indicators that must also be considered when evaluating a safety program. These indicators include employee engagement in hazard identification, active employee EHS teams, system-focused incident investigations, capital improvement spend, innovated controls, and early symptom intervention interactions.

Below are Tesla’s lagging injury rates compared to the North America Industrial Classification System (“NAICS”) for automotive manufacturing and New United Motor Manufacturing, Inc. (“NUMMI”). Tesla has been manufacturing Electric Vehicles for only seven years, compared to the other older, established automotive manufacturing operations with over one hundred years of experience. Moreover, Tesla is arguably more vertically integrated than other automakers.

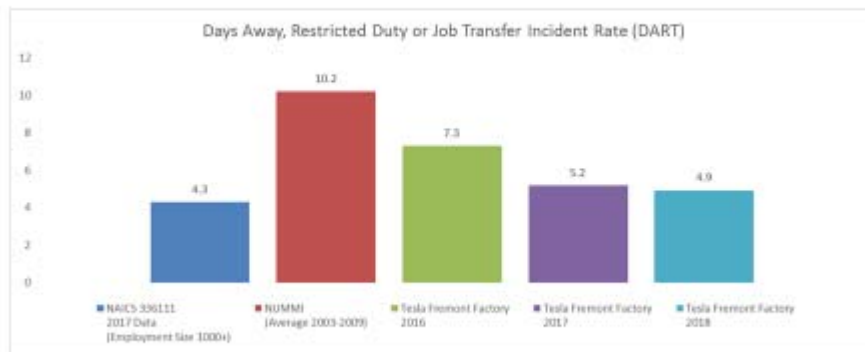


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The data illustrates Tesla in 2018 is slightly better than the NAICS average for total recordable incidents and 51% better than NUMMI’s average TRIR between 2003-2009. Our 2017 data is 23% improved over 2016 and we remained flat in 2018 even as we significantly ramped Model 3 production and shifted some automation to human production.

Lagging performance injury data for DART is also calculated using the same formula, except only using number of injuries that resulted in days away, restricted or transfer time.

Days Away, Restricted or Transfer Incident Rate

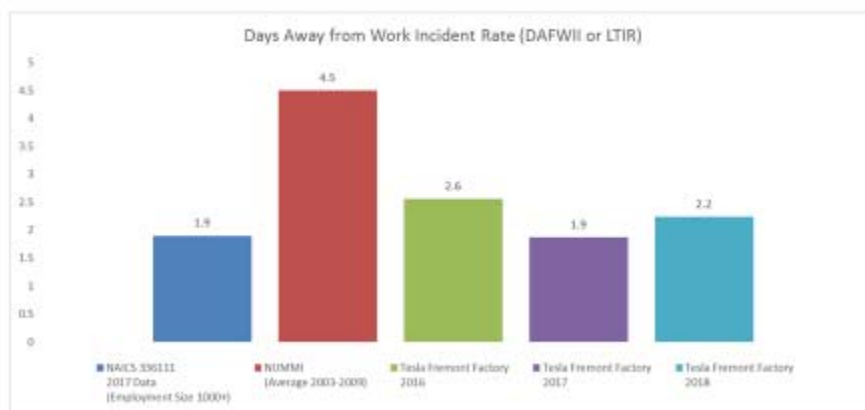


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This data illustrates Tesla in 2018 is 12% higher than the NACIS average for DART, but 52% better than NUMMI. Our 2017 data is 29% improved over 2016, and the downward trend continued in 2018 with another 6% improvement compared to 2017.

Lagging performance injury data for just days away (also referred to as lost work days) is also calculated using the same formula, except only using number of injuries that resulted in lost work days.

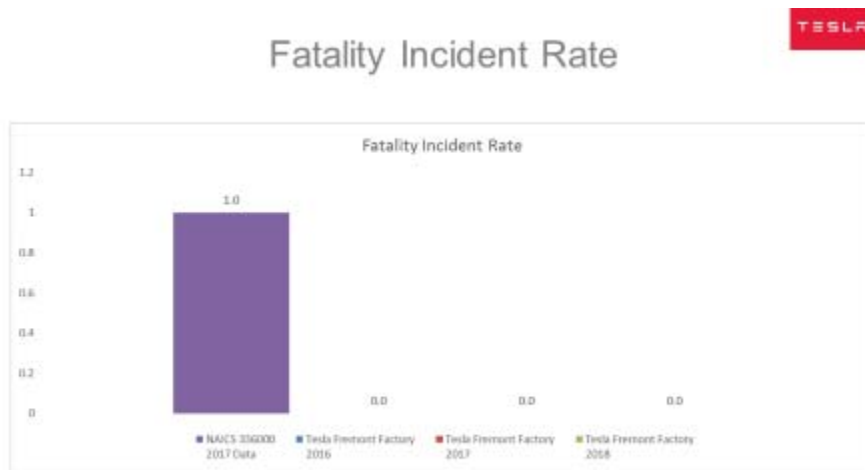
Days Away from Work Incident Rate



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This data illustrates Tesla in 2018 is 14% higher than the NACIS average for lost work days but 51% better than NUMMI. Our 2017 data is 27% improved over 2016, but we were 14% higher in 2018 compared to 2017. In 2019, we are focusing on ergonomic injury reductions and improved return to work program to reduce our lost work days.

One of the most critical lagging safety indicators is fatality incident rate. Studies have shown that, as injury rates continue to generally decline, fatalities on the job have increased or remained flat.



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Neither Tesla nor NUMMI has experienced a fatality. However, on average, four fatalities occur annually in the automotive sector.

Analysis below of our top five injuries by type illustrate sprains and strains are the highest frequency injuries/illnesses. In 2018, these top five injuries accounted for 83% of all injuries in the Fremont factory. In early 2018, we implemented our industrial athlete program and embedded EHS professionals in major departments to help drive our risk reduction plans with operational leaders. The success of these programs is reflected in an 11% reduction in this injury type.

TESLA

% Change - Injury type 2017-2018

	2017	2018	% Change
Strain	59%	48%	11% reduction
Inflammation	13%	10%	3% reduction
Contusion	10%	12%	2% increase
Laceration	9%	8%	1% reduction
Sprain	6%	5%	1% reduction

Source: Workers Compensation

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The re-organization of the Tesla Health Center in 2018 aimed to better treat and prevent our musculoskeletal injuries with expedited treatment and specialized care. For the first time, the Center is now staffed with on-site physicians, with direct access to an orthopedic surgeon.

Cases in which employees accrued lost time decreased in both days open and average cost when comparing 2017 to 2018. This was not aimed to reduce the reporting of claims, but to allow the employees to take advantage of our capabilities. In fact, more workers' compensation claims have been reported in 2018 than any other year at Tesla.

% Change – Lost Time Injuries 2017-2018

% Change	
Average Days Open	36% Reduction year over year
Average Cost	18% Reduction year over year

Source: Workers Compensation

By identifying our injury types at the onset, and guiding towards medical specialists sooner, our injured workers are able to advance their treatment plans, thus reducing severity and days away from work.